



**THE HON JULIA GILLARD MP**  
ACTING PRIME MINISTER  
**THE HON NATHAN REES MP**  
NEW SOUTH WALES PREMIER

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### **New South Wales Embargo on Water Trades Lifted**

The Australian and New South Wales governments today announced a Memorandum of Understanding (MOU) allowing New South Wales farmers to sell their water entitlements to the Federal Government to return to the Murray-Darling Basin's stressed rivers and wetlands. The MOU provides a clear plan for future water purchase in NSW until 2012-13, and will aid the completion of trades from willing sellers in NSW under the Australian Government's 2008-09 water purchase tenders.

Acting Prime Minister Julia Gillard and NSW Premier Nathan Rees said the bilateral agreement would return important environmental water back to the ailing Murray-Darling river system.

"Today's agreement will enable continued progress in the purchase of water from willing sellers and for that water to be used in the rivers and wetlands of the Murray-Darling Basin," said Ms Gillard.

"To date, the Australian Government has secured the purchase of 545 gigalitres of water entitlements worth \$840 million from across the Murray-Darling Basin," she said.

NSW Premier Nathan Rees said the Australian Government can now resume purchases of water in NSW in accordance with the agreement.

"New South Wales has agreed to lift its embargo on water trades associated with purchases of water for the environment," said Mr Rees.

"This agreement provides certainty and balance for regional NSW communities and water users without compromising our strong commitment to the environment. "The deal is a win for all parties," added the Premier.

The MOU also commits both governments to developing and implementing effective water shepherding arrangements.

This will ensure that environmental water purchases in the northern Basin can be used to meet high priority environmental needs across the system.

Water shepherding enables water to be delivered along the system to high priority environmental assets without enhancing or diminishing the rights of water users along the way.

"This commitment builds on the success of shepherding water from Toorale Station to key wetlands in the River Murray earlier this year," said Deputy Prime Minister Gillard.

As a result of the purchase of Toorale station by the New South Wales Government, some 8.7 gigalitres of water have been delivered to environmental sites in New South Wales, South Australia and Victoria.

Prior to permanent shepherding arrangements being put in place, New South Wales has committed to shepherd environmental water where possible, to maximise environmental benefits.

The MOU complements the 'Water for the Environment' agreement between the Australian and Victorian Government to further promote the sustainable use of scarce water resources in the Murray-Darling Basin.

The MOU represents another practical step by the Rudd and Rees Governments to prepare for a future with less rain because of climate change. It builds upon the historic Murray-Darling Basin inter-governmental agreement which included in principle approval for \$1.358 billion in NSW water infrastructure works, subject to due diligence and the conditions of the program being satisfied.

A summary of purchases secured to date through the 2008/09 water tenders is available at [www.environment.gov.au/waterpurchasing](http://www.environment.gov.au/waterpurchasing).

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